

S-p-r-e-a-d-i-n-g the word

It is still not too late to register for a national conference on "The Low-Income Consumer: New Solutions to Old Problems" which will be held at the Marriott Twin Bridges Hotel in Washington, DC on May 31 and June 1. As CONSUMER NEWS has reported earlier, the conference is co-sponsored by the US Office of Consumer Affairs and Howard University and is designed to:

- Train grassroots program directors.
- Highlight successful community-based consumer programs.
- Provide up-to-date information on consumer legislation and issues.

The \$30 registration fee includes two luncheons and a reception. To register or to find out more about the conference, call Juanita Yates (202-755-8892).

Audio-visual bibliography

Virginia's Office of Consumer Affairs is sponsoring a Virginia Consumer Audio-Visual Education Project (VACAVE) to create a statewide network of audio-visual consumer education information, and promote the use of available resources for consumers.

The one-year project will produce an annotated bibliography listing audio-visual materials on consumer education topics for the general public and particular target groups. It will emphasize the interest of elderly, low-income and handicapped consumers. In addition, the bibliography will contain consumer education program suggestions.

The bibliography will be distributed to appropriate agencies throughout Virginia and the nation in late August. Although it is not intended to be a comprehensive catalog, the bibliography will be very useful to consumer groups, according to Patricia Anderson, consumer education specialist with Virginia's Office of Consumer Affairs.

"VACAVE has the potential to improve public awareness," said Mary Ann Shurtz, project director. "It may prove a valuable tool for consumer educators nationally," she concluded.

Interested consumer groups or representatives may obtain a free copy of the bibliography by contacting: Virginia Office of Consumer Affairs, VACAVE, 3016 Williams Drive, Fairfax, VA 22031.

consumer news



UNITED STATES OFFICE OF CONSUMER AFFAIRS
Esther Peterson, Director

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Consumers' stake in transportation

In prepared remarks by Special Assistant to the President for Consumer Affairs Esther Peterson (delivered by her General Counsel, Edward Cohen) before the **Transportation Dept.'s** May 7-8 conference on "Transportation and the Consumer" (see CONSUMER NEWS: Feb. 15), Mrs. Peterson praised the agency's public participation program for **National Highway Traffic Safety Administration (NHTSA)**. She called it "an important step toward utilizing the valuable resources of consumer concern and energy in the Federal Government's regulatory processes." Encouraging other agencies to follow NHTSA's example, she noted that the Administration is sponsoring legislation to provide funding for other public participation programs.

Of the numerous transportation issues being considered by the Federal Government, Peterson identified one in which her **US Office of Consumer Affairs (OCA)** has been extensively involved—the deregulation of the trucking industry. She described the Administration's goal of reducing the burden on consumers created by the **Interstate Commerce Commission's** rules which protect existing truckers from competition by limiting entry into the industry, imposing restrictions on truckers' routes and what they can haul, and allowing price fixing. She added that "because nearly everything that consumers eat or use is moved by truck at some point . . . the result of this decreased competition in the trucking industry is increased prices for all consumer products."

Peterson remarked on another part of the transportation industry which constitutes the greatest dilemma for the American consumer—auto-related complaints—the highest category of complaints that OCA receives. Noting a recent **Better Business Bureau** survey showing that about 56 percent of all automobile complaints involve new cars still under warranty, she reported that Congress is considering H.R. 1005 ("Automobile Warranty and Repair Act") to address the problem. It would require that the "limited" warranty now offered by most car manufacturers be replaced with a "full" warranty under the Magnuson-Moss Warranty Act. Under a full warranty, a car owner would be entitled to a refund or replacement of a defective car part, or possibly the entire car, if the dealer is unable to fix it after a reasonable number of attempts. She also stressed her concern about the inadequacy of current warranties against auto rust (see CONSUMER NEWS: April 1).

Peterson also listed the five major consumer needs for protection against auto-repair abuses:

- Assurances that repair facilities are honest. At a May 7 press conference Transportation Secretary Brock Adams released the results of an undercover survey of car repair shops in seven cities which found that 53¢ of each dollar was wasted on needless repairs, confirming Adams' belief that "consumers are not getting a fair shake when it comes to car repairs." Single free copies of the draft report, *Survey of Automotive Repair Services*, are available from the Division of Consumer Services (I-39), Office of the Secretary of Transportation, Washington, DC 20590.
- Written estimates of repair costs before work is done.

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Recall

■ **NASAL SPRAY**—Food and Drug Administration has announced the voluntary recall by the manufacturer of more than 2.7 million squeeze bottles of Contact Nasal Mist and Sine-Off Once-A-Day Sinus Spray because of possible bacterial contamination.

The products, manufactured by **Smith Kline and French Laboratories** of Philadelphia, PA, were distributed nationwide and in Puerto Rico. All recalled bottles have lot numbers ending in 87 or 97.

What to do: Send contaminated bottles to **Menley and James Laboratories**, PO Box 8082, Philadelphia, PA 19109 for a refund.

Interest on checking accounts illegal

As a result of a recent court decision which held that current systems allowing the automatic transfers of funds from interest-bearing accounts to checking accounts are illegal because only Congress has the power to change the existing laws, Rep. Fernand St. Germain of Rhode Island has introduced the "Consumer Checking Account Equity Act of 1979" (H.R. 3858).

The bill's major provisions would:

- End the 45-year-old prohibition against the payment of interest by commercial banks on checking accounts.

- Give Federally insured savings and loan associations, mutual savings banks, and credit unions explicit authority to provide checking accounts for their customers and members.

Ever since the Federal regulators—**Federal Reserve System**, **Federal Home Loan Bank Board**, and the **National Credit Union Administration (NCUA)** authorized banks, savings and loans, or credit unions to make automatic transfers from depositors' savings accounts to their checking accounts, the legality of such practices has been challenged. Nevertheless, consumers have been using the new checking account services since last year.

Congressional hearings on the proposed bill were scheduled to begin at CONSUMER NEWS' presstime.

To allow time to enact appropriate legislation, and recognizing the enormous investments made by the financial institutions to implement these systems, the court decided that transfers from savings accounts could continue until Jan. 1, 1980.

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- Technically competent mechanics. According to the **Motor Vehicle Manufacturers Association**, there is only one technically competent mechanic for every 424 automobiles on the road.

- A method for third-party dispute resolution.

Peterson stressed the importance of state and local consumer offices and private citizen efforts which, among other things, can promote healthy competition by informing consumers about the quality of repair shops in their areas. One example of such consumer education is a quarterly consumer guide to auto repair facilities in Washington, DC called "Washington Consumers' Checkbook on Cars" which evaluates and compares local repair shops. Peterson encouraged other state and local government offices and private consumer groups to undertake similar projects.

Finally, Peterson expressed deep concern about fuel economy and strongly supported Transportation's proposed fuel economy standards which will ensure that the fleet average fuel economy of passenger cars will have doubled over the 1975 to 1985 decade.

Methapyrilene

The **Environmental Defense Fund (EDF)**, a private, nonprofit research group, has petitioned the **Food and Drug Administration (FDA)** to stop the sale of over-the-counter (OTC) drugs containing methapyrilene, a chemical that EDF says has caused liver cancer in rats.

Methapyrilene is an antihistamine which can be found in about 700 drug products, such as daytime sedatives, nighttime sleep-aids, nasal sprays, and decongestants. These drugs, used by at least 10 million Americans, according to a study cited by EDF, include such widely advertised brands as: **Compoz**, **Nytol**, **Sominex**, **COPE**, **Excedrin PM**, **Allerest Time Release Capsules**, and **Vicks Sinex**.

At a recent press conference, EDF scientists referred to three studies conducted at the **National Cancer Institute (NCI)** and the **Oak Ridge National Laboratory** showing that methapyrilene is a "potent animal carcinogen."

EDF Science Associate **Leslie Dach** said, "Normal use of products containing methapyrilene exposes consumers to a serious health risk and they should be warned not to use these products." In addition, Dach urged FDA to immediately seize any OTC drug containing methapyrilene currently in interstate commerce, and requested that FDA ask manufacturers to recall all methapyrilene products.

In response to EDF's petition, FDA intends to evaluate the study results from NCI. If their conclusions warrant, FDA will consider recalling methapyrilene-containing drugs and discussing with manufacturers the possibility of reformulating their products.

Disputing the research data, the **Proprietary Association**, a trade organization representing OTC manufacturers, said the NCI study produced tumors in rats exposed to methapyrilene "at doses equivalent in man to 200 sleep-aid tablets every night for many years." However, EDF maintains that anyone taking methapyrilene products four times a month for 25 years would "ingest one quarter of the amount of methapyrilene that gave half of the female rats liver tumors," according to one phase of the study.

For more information, or to receive a complete list of products that EDF says contain methapyrilene, write to **Environmental Defense Fund**, Dept. MP, 1525 18th St., NW, Washington, DC 20036.

CONSUMER NEWS

National Consumer Buying Alert

CONSUMER NEWS: April 15 reported that the US Office of Consumer Affairs' (OCA) monthly *National Consumer Buying Alert* (containing timely inflation-fighting tips and marketplace trends) would not be available to individual consumers. However, OCA has now made arrangements for single, free copies to be mailed from Pueblo, CO. Just send a postcard to Esther Peterson, Consumer Information Center, Pueblo, CO 81009, and a current copy of the booklet will be sent to you.

Unfortunately, the Consumer Information Center does not maintain mailing lists, so if you wish to receive the *Alert* each month, you must request it each month. Your cooperation is appreciated.

Privacy

A recent study on privacy indicated that American public concern about threats to personal privacy has jumped dramatically from 47 percent to 64 percent during the past year.

The survey, entitled "The Dimensions of Privacy," was based on over 1,500 interviews with a national cross-section of the adult American population and more than 600 interviews with so-called "leadership groups." Developed by Dr. Alan F. Westin, of Columbia University, the study was conducted by the independent national opinion research firm of **Louis Harris and Associates for Sentry Insurance** of Stevens Point, WI.

The purpose of the study was "to explore to what degree privacy can and should be protected in an intensely service-oriented, technologically-based society which is largely fueled by the collection, storage and use of its citizens' personal information," according to John W. Joanis, Chairman of the Board and Chief Executive Officer of Sentry Insurance.

In the survey, the public cited finance companies (45%), credit bureaus (44%), insurance companies (38%), credit card companies (37%), and the media (31%) as the five major invaders of privacy in the private sector.

Survey results showed the present use of computers to be the greatest threat to privacy. They indicated that 63% of the American public believes the use of computers should be "sharply restricted" in the future if personal privacy is to be preserved.

The public, by a 52% majority, does not believe that personal information in computers is adequately safeguarded; an even more significant 53% of computer industry executives agree that computers are a threat to personal privacy.

Half of all Americans say they are worried about how the business community will use the personal information it collects. And 43% are worried about the Federal Government's use of personal information. Most organizations that collect information about people ask for more sensitive information than is necessary, said 72% of those interviewed.

Although government officials surveyed indicated that some type of legislation should be enacted, there is no consensus among the public as to who should take overall responsibility for protecting individual privacy.

Summing up the findings, Dr. Westin noted, "The survey shows that public concern about privacy is not linked to any one area, event or issue. Rather, the concern appears to be a symbol of the American people's demand to be treated fairly, equitably and openly by those managing the powerful institutions of our society."

Free copies of the study report may be obtained by writing: Director of Consumer Information, Sentry Insurance, 1800 North Point Drive, Stevens Point, WI 54481.

May 15, 1979

OCA comments

The US Office of Consumer Affairs (OCA) has issued comments on proposed regulations by the Board of Governors of the Federal Reserve System on the issue of requiring financial institutions to notify consumers of liability from use of Electronic Fund Transfer Systems (EFTs).

OCA's comments focused on the need to inform consumers of the extent to which they must bear the financial burdens for unauthorized use of an "access device" (usually a plastic card, but sometimes a code that the consumer uses to initiate electronic fund transfers).

Since the portions of the Electronic Fund Transfer Act which limit consumer liability for both unauthorized use of an access device and for account errors went into effect before the effective date of the Act as a whole, the Board has published two proposals that are intended to make consumers aware of their obligations. Consumers must report the theft or loss of an access device and must review periodic statements for mistakes. OCA noted that without such disclosures the part of the Act already effective becomes meaningless since consumers will not know what action is required to limit their liability. In addition, many consumers who now use an EFT access device may not have been told of the potential losses for which they can be responsible. Some, in fact, may erroneously believe that their maximum liability is \$50 even if they fail to notify the bank or other financial institution of a loss or theft. Liability could be as high as \$500. And for unreported errors, it could go even higher.

By requiring disclosures of liability now, OCA said, "the Board will provide consumers with that information necessary for assuring themselves the protection provided by the Act."

OCA commented on the following two proposals:

- Proposal A would require financial institutions to provide to consumers with accounts accessible by access devices disclosures about their liability for unauthorized transfers and how to report a loss or theft of an access device. While OCA supports these requirements, it "believes that Proposal A is inadequate as a means of implementing the Congressional policy of protecting the consumer from unlimited liability—at least until other sections of the Act become effective in May 1980." At that time enforcement and civil liability provisions will be in effect.

- Proposal B makes such disclosures a precondition to the imposition of consumer liability. OCA says

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Comment

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Proposal B "not only provides the incentive for compliance with Proposal A's disclosure requirements, but also provides each financial institution with the flexibility to determine if the benefits of disclosure outweigh their cost."

However, under either proposal, if a financial institution assumes all risk and imposes no liability on a consumer for unauthorized transfers, then no disclosures would have to be provided.

The deadline for public comment was April 30.

Expanded mileage guide available

The second edition of the 1979 *Gas Mileage Guide* is now available in auto dealers' showrooms. The first edition, which came out last November, was complete for most American-made cars, station wagons and light trucks, but did not show the ratings for the foreign cars. The second edition lists the miles-per-gallon ratings for the foreign vehicles as well as a few additional domestic vehicles.

As usual, there are two versions of the guide—one for California and one for the other 49 states.

If you cannot find a copy of the 1979 *Guide* in a dealer's showroom, you may write to Fuel Economy, Pueblo, CO 81009. For bulk copies, write to Fuel Economy Distribution, Technical Information Center, Energy Dept., PO Box 62, Oak Ridge, TN 37830.

ACT '79

An alcohol distillation unit . . . waterless toilets . . . an urban garden . . . programs on bicycle commuting . . . a solar grain dryer . . . and a four-wheel drive wheelchair. Houses, streets, businesses, farms, industry and community services—all made up a self-reliant, environmentally clean and democratically governed model community. It was ACT '79—the Appropriate Community Technology Fair and Conference, designated by Congress as "Appropriate Technology Week."

The four-day fair, held April 27-30 on the Mall, Washington, DC, was the culmination of two years of preparation. It was the largest gathering of community technology programs ever held, according to Michael Duberstein, project director. Participants from over 30 states came to demonstrate processes and technologies which emphasize self-help, economic development, job creation and new environmental and energy ideas.

"The most important purpose of ACT '79 was to show that community based technologies "are not grandiose schemes, but do exist today, and can be readily fit into any community . . ." said Duberstein.

Community technologies are economically feasible, simple to operate, and often labor intensive as opposed to energy intensive. They minimize environmental and social costs and offer a chance to "return to the basics."

ACT '79 covered all aspects of appropriate community technology. Topics ranged from culture, recreation, energy, food and agriculture, to housing, health care, transportation, community development and education.

Esther Peterson, Special Assistant to the President for Consumer Affairs and Director of the **US Office of Consumer Affairs**, attended the fair and stated that self-help technology is vital for communities, especially in these times of rampant inflation. Many ideas presented at the fair offer lower priced alternatives to the traditional way of providing essential services.

The ideas presented during ACT '79 were designed to get consumers thinking and acting about what they can do for themselves. As First Lady Rosalynn Carter, who also attended the fair, said, "Appropriate technology clearly has a role to play, not only in providing us with needed goods and services, but also with a renewed spirit of independence, a new sense of hope, and a new sense of social involvement."

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